

## ESR-REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

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### MINUTES OF ANNUAL GENERAL MEETING

<b>PLACE</b>	:	Suntec Singapore International Convention and Exhibition Centre, Level 4, Hall 406, 1 Raffles Boulevard, Suntec City, Singapore 039593 and by way of electronic means
<b>DATE</b>	:	Friday, 29 April 2022
<b>TIME</b>	:	3.00 p.m.
<b>PRESENT</b>	:	Please see Attendance List attached hereto
<b>IN ATTENDANCE</b>	:	Please see Attendance List attached hereto
<b>CHAIRPERSON</b>	:	Ms Stefanie Yuen Thio

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### INTRODUCTION

In accordance with the Trust Deed, RBC Investor Services Trust Singapore Limited, as trustee of ESR-REIT (the “**Trustee**”) had nominated Ms Stefanie Yuen Thio to preside as Chairperson of the Meeting (the “**Chairperson**”). The Chairperson welcomed all the unitholders of ESR-REIT (“**Unitholders**”) for attending the 13<sup>th</sup> annual general meeting (the “**Meeting**” or “**AGM**”).

The Chairperson introduced herself, the Chief Executive Officer & Executive Director, and other Directors of the ESR-REIT Manager, the Management team, the Company Secretary, Ernst & Young LLP, the auditors of ESR-REIT, PricewaterhouseCoopers Risk Services Pte. Ltd., the internal auditors of ESR-REIT, WongPartnership LLP, the Legal Adviser for the resolutions, RBC Investor Services Trust Singapore Limited, the Trustee and Perpetual (Asia) Limited, the trustee for Viva Trust, a sub-trust of ESR-REIT, and other professionals who were present in the Meeting via webcast.

### QUORUM

As a quorum was present, the Chairperson declared the Meeting open at 3.00 p.m.

### NOTICE

The notice convening the Meeting was taken as read.

### PRESENTATION BY THE CHIEF EXECUTIVE OFFICER (“CEO”) & EXECUTIVE DIRECTOR

The Chairperson invited Mr Adrian Chui, the CEO and Executive Director to make a presentation on the key developments and performance of the Trust in Year 2021 and the outlook for 2022.

### POLL VOTING

Ms Stefanie Yuen Thio, in her capacity as Chairperson of the Meeting, called for voting on all the resolutions to be conducted by poll pursuant to Schedule 1 of the Trust Deed. Ms Stefanie Yuen Thio explained that the poll will be undertaken in real time via electronic means and a short video on “How to Vote” was played to the Unitholders as part of the voting process. The Chairperson had been appointed as proxy by Unitholders who had directed the Chairperson of the Meeting to vote for, against, or abstain from voting on, the resolutions as set out in the Notice of AGM. Accordingly, she cast all votes as so directed for each resolution.

All valid proxy forms received by the deadline as specified in the Notice of AGM, had been accounted for and had been independently verified by DrewCorp Services Pte Ltd, the appointed scrutineers for the Meeting, and Boardroom Corporate & Advisory Services Pte Ltd, the appointed polling agent for the Meeting.

### **GENERAL QUESTIONS AND ANSWERS (“Q&A”)**

It was noted that the ESR-REIT Manager had received several questions from Unitholders before the AGM. The ESR-REIT Manager had addressed the relevant and substantial questions raised by Unitholders in a separate announcement on 24 April 2022.

The Chairperson invited Unitholders both physically present at the Meeting, as well as Unitholders who were attending the Meeting online to ask questions. For Unitholders present at the Meeting venue, questions were asked via the microphones provided. For Unitholders who were viewing the webcast or listening to the audio feeds, they were able to post any questions that they wished to ask via the online chat box function.

A copy of the questions raised and responses provided thereof is attached to these minutes as Appendix I.

The Chairperson closed the Q&A session by summarizing Unitholders’ concerns on the REIT’s distribution per unit (“DPU”) and assured the Unitholders that the Management team would be keeping a close eye on this area. Management would need to manage both DPU and net asset value concurrently to achieve long-term and sustainable growth while keeping an eye on the short term DPU. As ESR-REIT is expanding, the Management team would leverage on the economies of scale and venture into new geographies to bring better and stable returns to Unitholders.

The Chairperson proceeded to deal with the Agenda of the AGM after the close of the Q&A session.

### **ORDINARY RESOLUTION 1**

- **TO RECEIVE AND ADOPT THE TRUSTEE’S REPORT, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ESR-REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Ordinary Resolution 1 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 1 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,295,915,641	100.00	1,293,621,139	99.82	2,294,502	0.18

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

*That the Trustee’s Report, the Statement by the Manager and the Audited Financial Statements of ESR-REIT for the financial year ended 31 December 2021 and the auditors’ report thereon be received and adopted.*

**ORDINARY RESOLUTION 2**

**- TO RE-APPOINT ERNST & YOUNG LLP AS AUDITOR OF ESR-REIT TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS OF THE MANAGER TO FIX THEIR REMUNERATION**

The Meeting proceeded to seek Unitholders' approval on the re-appointment of Ernst & Young LLP as Auditor of ESR-REIT to hold office until the conclusion of the next annual general meeting and to authorise the Directors of the Manager to fix their remuneration.

The Ordinary Resolution 2 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 2 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,297,603,666	100.00	1,256,025,007	96.80	41,578,659	3.20

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

*That Ernst & Young LLP be re-appointed as Auditor of ESR-REIT to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors of the Manager.*

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 3**

**- GENERAL MANDATE FOR THE ISSUE OF UNITS AND/OR CONVERTIBLE INSTRUMENTS**

Chairperson informed the Unitholders that Ordinary Resolution 3 was to authorise the Manager and the Trustee to issue ESR-REIT units not exceeding 50% of the total number of issued units (excluding treasury units, if any), after adjusting for:

- (i) any new units arising from the conversion or exercise of any instruments which are issued and outstanding or subsisting at the time the resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of units, of which the aggregate number of units to be issued other than on a pro rata basis to existing Unitholders shall not exceed 20% of the total number of units (excluding treasury units, if any).

The Ordinary Resolution 3 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 3 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,297,525,367	100.00	1,183,740,012	91.23	113,785,355	8.77

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

*That authority be and is hereby given to the Manager, to:*

- (a) (i) *issue units in ESR-REIT (“Units”) whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of ESR-REIT’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or*
- (ii) *make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, “Instruments”),*

*at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and*

- (b) *issue Units pursuant to any Instruments made or granted by the Manager while this Resolution was in force (even though the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),*

*provided that:*

- (1) *the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per cent. (20%) of the total number of Units (excluding treasury Units, if any) in each class as calculated in accordance with sub-paragraph (2) below;*
- (2) *subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraphs (1) above, the total number of issued Units (excluding treasury Units, if any) shall be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:*
  - (a) *any new Units arising from the conversion or exercise of any Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and*
  - (b) *any subsequent bonus issue, consolidation or subdivision of Units;*
- (3) *in exercising the authority conferred by this Resolution, the Manager shall comply with applicable legal requirements governing ESR-REIT, including but not limited to the provisions of the Listing Manual of the SGX-ST (the “Listing Manual”) for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting ESR-REIT (as amended) (the “Trust Deed”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);*
- (4) *(unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution continues in force until (i) the conclusion of the next AGM of ESR-REIT or (ii) the date on which the next AGM of ESR-REIT is required by applicable regulations or the Trust Deed to be held, whichever is earlier;*

- (5) *where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and*
- (6) *the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of ESR-REIT to give effect to the authority contemplated and/or authorised by this Resolution.*

**ORDINARY RESOLUTION 4**

**- TO AUTHORISE THE MANAGER TO REPURCHASE OR OTHERWISE ACQUIRE UNITS FOR AND ON BEHALF OF ESR-REIT PURSUANT TO THE UNIT BUY-BACK MANDATE**

Chairperson informed the Unitholders that Ordinary Resolution 4 was to authorise the Manager to repurchase or otherwise acquire units for and on behalf of ESR-REIT in accordance with the Unit Buy-Back Mandate set out in the Circular to Unitholders dated 13 April 2022.

The rationale for the Unit Buy-Back Mandate is to provide a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value per unit, and, when exercised at appropriate times, it would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the units and bolster market confidence in the units.

The Ordinary Resolution 4 was proposed by the Chairperson, the motion was put to vote and the results of the poll for Ordinary Resolution 4 were as follows:

Total		For		Against	
Total number of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)	No. of units	As a percentage of total no. of votes for and against the resolution (%)
1,297,356,118	100.00	1,295,091,147	99.83	2,264,971	0.17

Based on the results of the poll, the motion was declared carried by the Chairperson and it was RESOLVED:

*That:*

- (a) *the exercise of all the powers of the Manager to repurchase or otherwise acquire Units for and on behalf of ESR-REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:*
- (i) *market repurchase(s) or acquisition(s) of Units through the trading system of the SGX-ST; and/or*
- (ii) *off-market repurchase(s) of Units otherwise than on a securities exchange and made under an "equal access scheme" for repurchase of Units from Unitholders in accordance with the Trust Deed,*

and otherwise in accordance with the Trust Deed and all applicable laws and regulations including without limitation the Listing Manual as may for the time be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

- (b) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of ESR-REIT is or is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;
  - (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied;
- (c) in this Resolution:

**"Average Closing Price"** means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and on the date of the market repurchase;

**"date of the making of the offer"** means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

**"Market Day"** means a day on which the SGX-ST is open for trading in securities;

**"Maximum Limit"** means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and

**"Maximum Price"** in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase.

- (d) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of ESR-REIT to give effect to the transactions contemplated and/or authorised by this Resolution.

## CONCLUSION

It was noted that the poll results of all the ordinary resolutions tabled for Unitholders' voting would be released after the conclusion of the Meeting via SGX-ST on the same day.

## CLOSE OF THE MEETING

There being no other business to transact, the Chairperson declared the Meeting closed at 4.00 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

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Ms Stefanie Yuen Thio  
Chairperson

APPENDIX I

<b>Unitholder</b>	<b>Henry Ho Hai Pang</b>
<b>Question 1</b>	<b>Reference made to Page 22 of the Annual Report, it was noted the revenue of ESR-REIT increases over the years. However, both distribution per unit (“DPU”) and net asset value (“NAV”) for FY2020 and FY2021 had dropped significantly.</b>
CEO	<p>DPU is based on the number of units issued which had increased over time. Last year, ESR-REIT raised approximately S\$40m which was used for asset enhancement and redevelopment projects. During the redevelopment stage, these assets and projects would not have generated any income and accounted for the reason for the fall in DPU.</p> <p>In terms of NAV, Singapore industrial land leases are relatively short. As the leases get shorter, the property valuations will start to drop. It is a classic leasehold versus freehold argument. Thus, ESR-REIT has been actively looking at overseas freehold properties.</p> <p>Last year, ESR-REIT initiated its first overseas investment in ESR Australia Logistics Partnership (“<b>EALP</b>”) in Australia and the valuation of the underlying portfolio of EALP has increased by more than 10% in less than one year. This is due to strong demand for the underlying logistics assets, freehold nature of the underlying assets and the compression of capitalization rates. ESR-REIT will strive to acquire more overseas freehold and longer land lease assets to address the short land lease issue.</p>
<b>Question 2</b>	<b>How long is the delay in respect of the DPU?</b>
CEO	<p>For example, 7000 AMK asset enhancement initiatives (“<b>AEI</b>”) will only be completed in 3Q2023. Only upon AEI completion, such properties would start to generate income which would in turn lead to an increase in DPU. Similarly, we had recently completed the AEI for 19 Tai Seng Avenue where the committed occupancy is about 76% which took about 12 to 15 months to complete. Usually, for such AEI, it will take between 9 to 12 months during pre-Covid-19 period to complete. Due to the safe management measures imposed during Covid-19, the AEI period was extended to 12 to 18 months. Nevertheless, we foresee that 7000 AMK and the rest of the AEIs will likely be on track to complete with the easing of the safe management measures.</p>
<b>Question 3</b>	<b>He would like the Management to look into how to increase the REIT’s revenue, NAV and DPU.</b>
CEO	<p>The acquisition of 46A Tanjong Penjuru for approximately S\$120m was DPU accretive and therefore, the DPU increased. The REIT raised a total of approximately S\$150m in 2021 to partially fund the acquisition and for other purposes. However, the key is to address the fall in NAV which is caused by the land lease decay which is an inherent issue for Singapore industrial assets under JTC land leases.</p>
<b>Unitholder</b>	<b>Nancy Chang Ban Heng</b>
<b>Question 4</b>	<b>ESR-REIT had incurred substantial costs for the merger and acquisition between (1) ESR-REIT and Sabana Shari’ah Compliant Industrial Real Estate Investment Trust (“Sabana REIT”); and (2) ESR-REIT and ARA LOGOS Logistics Trust (“ALOG”). ESR-REIT</b>



	<b>had also increased the offer price to merge with ALOG which led to the plummet in unit price.</b>
CEO	<p>The offer price for Sabana REIT was addressed at the Extraordinary General Meeting on 4 December 2020. The Manager would not over pay for a portfolio if the underlying assets are not worth it and therefore, we did not revise our offer price for that merger transaction.</p> <p>For the merger of ESR-REIT and ALOG, despite an upward revision in the offer price, the transaction is still proforma DPU accretive to our unitholders at approximately 4.7% and ALOG's portfolio is definitely much more complimentary and value adding than that of Sabana REIT. As mentioned above, with the merger, ESR-REIT would have access to freehold assets in Australia where our 10% investment in EALP has led to an increase in the NAV of ESR-REIT in less than a year. ALOG's portfolio focuses on logistics assets which are currently in great demand and have been performing well. Similarly, our portfolio of logistics assets have also shown positive rental reversion.</p> <p>With reference to the drop in our unit price, it was in line with the overall negative sentiments in equity markets as industrial assets as a whole sector has gone down and our peers were also facing the same issue. On the other hand, the unit prices for office REITs and hotel REITs are going up as the economy and borders are opening up and workers are returning to office. During Covid-19 period, the unit price for hotel REITs was down about 20% to 30%, but the unit price for ESR-REIT had increased by 10% to 15% and ESR-REIT had benefited during the pandemic. It is the rotational or "reopening" theme that caused the sector rotation. In relation to geopolitical risks, i.e. the on-going Russian-Ukraine conflict which caused the surge in oil &amp; gas prices that inevitably affected utilities costs and inflation which in turn led to the increase in interest rates. Nevertheless, ESR-REIT is quite well shielded from the rise in interest rates as 92% of its debt is on fixed interest rates. In summary, the overall movements in the unit price of ESR-REIT were not due to the merger transaction.</p>
<b>Question 5</b>	<b>Is the unit price affected by the rise in energy prices and whether such cost increase will be passed on to the tenants?</b>
CEO	<p>The rise in energy prices could be one of the factors. From the landlord's perspective, there are two types of electricity rates in the market, i.e. pool rate and Singapore Power ("SP") tariff rate. Historically, the pool rate has been much lower than the SP tariff rate and most landlords would charge their tenants based on the SP tariff rate. Therefore, REITs had shown positive net utilities income in the past.</p> <p>Since October last year, the rise in energy prices due to high demand and exacerbated by the Russian-Ukraine conflict, the pool rate is now much higher than the rates charged to tenants resulting in negative income spread. As such, we are looking to switch to SP tariff rate which is much lower than the current pool rate. In Singapore, the renewal of utilities contract would be done together with the renewal of the lease contract, therefore recently, ESR-REIT has passed on the utilities cost to its tenants by charging them the same rate. We have offered a dollar-for-dollar match for tenants who are huge users of electricity such as those in the semi-conductor industries and data centres in our portfolio, as well as two or three of our large tenants who were paying for utilities under the pool rate. These had been announced in our recent business updates. We foresee that energy prices will probably continue to stay</p>

	relatively high, thus it is better for the REIT to pass on the utilities cost to tenants by charging them the same rate.
	<b>QUESTIONS FROM THE WEBCAST</b>
<b>Unitholder</b>	<b>Lim Kian Hin</b>
<b>Question 6</b>	<b>How will the REIT handle the issues in hyperinflation, increased in electricity prices as well as interest rate hike?</b>
CEO	<p>We will try to secure more utilities contracts under SP tariff rates to control the utilities cost by purchasing in bulk.</p> <p>Inflation will affect maintenance costs and we are looking to potentially increase our service charges. Tenants are also aware of the increase in maintenance costs such as cleaning, security services and other incidental services. We are considering a reasonable increase in service charges. Most importantly, with the merger of ESR-REIT and ALOG, we have more opportunities to amalgamate and potentially, putting the expiring contracts together to do bulk purchases to achieve economies of scale. As the merger was just completed yesterday, Management will need some time to understand and deep dive into the contracts' terms and conditions, scope and other matters in order for us to align them so that we can come up with plans to tender for better terms. This is also one of the ways to manage our overall increase in maintenance costs due to high inflation.</p> <p>In terms of interest rates, hedging is one of our tools for capital management. Currently, 92% of our interest rate exposure has been hedged for 2 years and some of the hedges will expire in 4Q2022 and 1Q2023. A good credit rating for the REIT as mentioned in the merger will also give us better negotiation ability to get lower interest rate for our loans and bonds. With a good credit rating and assets under management of S\$5.0 billion, we would be in a better position to manage the interest cost. Management would also be able to consider whether to lengthen the debt tenure or to lower the interest cost so that our debt expiry profile is not lumpy and the source of our debt funding is more diversified. This will allow us to better manage our overall portfolio risk, refinancing risk, as well as interest rate risk.</p>
<b>Unitholder</b>	<b>Low Jin Hong</b>
<b>Question 7</b>	<b>Given that ESR management and staff are working hard to improve the REIT's performance, SG economy is also doing well in 2022, can we expect higher revenue, occupancy and rental rates for its industrial properties in 2022?</b>
CEO	<p>From the revenue's perspective, we are witnessing a secular change in how goods are being produced, consumed and delivered which are positive trends and signs. The geopolitical risks and US-China trade tension have actually benefited us as most of the manufacturers have changed their global supply chain management. For example, manufacturers no longer rely on Just-in-Time ("JIT") inventory management model where they depended heavily on the opening of international borders or no taxation or tariffs imposed. However, with the continued pandemic and geopolitical risks nowadays, manufacturers are switching to Just-in-Case ("JIC") inventory management model which means stocking up and diversifying their global supply chain including both raw materials and finished goods. This has resulted in strong demand for high-specs space and logistics</p>

	<p>space, which has a positive effect on our rental reversion. A case in point is the broad based positive rental reversion achieved in 4Q2021 and 1Q2022.</p> <p>However, the control of expenses such as maintenance cost, utilities cost and interest cost is crucial in managing DPU. Most importantly, the underlying short land lease issue must be addressed which will affect the NAV of the REIT and having access to overseas freehold and/or longer land lease assets will help to mitigate this issue. We understand that most investors and unitholders tend to focus on DPU. It is easy to increase DPU in the short term, however, this will affect the long-term valuation of the properties. Thus, it is our job as Manager to look at the total returns so that there is growth in both DPU and NAV.</p>
<b>Question 8</b>	<b>The maintenance and utilities costs can be negotiated with the tenants to ensure pass through of these expenses to tenants. This is a fair framework for both landlords and tenants.</b>
Chairperson	The maintenance and utilities costs were locked in during the terms of the contracts. Hence, these costs can only be negotiated when the leases are to be renewed or new tenants are onboard.
CEO	It is absolutely correct that the maintenance and utilities costs can be negotiated and passed on to the tenants. When the leases are near expiry, we will negotiate with the tenants so that it will be fair to both the tenants and landlord. We will ensure that such costs are passed on to the tenants. But at the same time, we need to be cognizant that the REIT will not be able to have positive spread in utilities income.
<b>Unitholder</b>	<b>Ang Lay Hoon</b>
<b>Question 9</b>	<b>Do you have a budget for AEI? Do you expect a higher revenue with longer tenancy to cover the AEI cost? AEI should be DPU accretive and NAV positive too. Would you consider selling the old asset instead of conducting AEI on the old asset?</b>
CEO	ESR-REIT has been listed since 2006 and has its footprint for about 16 years. Hence, some of the buildings built in the mid 2000s had become less relevant to the current tenants' demand as the uses of industrial space have changed progressively. Management will consider divesting some assets which are non-core with smaller footprint and take up resources to maintain them. Our objective is to improve the quality of the overall portfolio and ensure that the portfolio remains relevant to the industrial tenants. Management believes that the assets have to be ready for future use. However, some of the assets have a capacity limit to meet the changes in industrial users' needs. Therefore, Management will have to carefully consider whether these assets should be divested, enhanced or converted to re-balance the portfolio.
Chairperson	Chairperson mentioned that for every AEI project, the Board spent substantial time to discuss with the Management team as to whether to divest or enhance these assets taking into consideration the cost of the AEI projects and other relevant factors.
<b>Unitholder</b>	<b>Matthew Teng Wen Lien</b>
<b>Question 10</b>	<b>Since shipping cost has risen, has this affected demand for logistics property closer to the markets where demand is located?</b>

CEO	As mentioned earlier, manufacturers are no longer using JIT inventory management model but have moved towards JIC inventory management model. Due to the tight supply of logistics space, we have received some requests from tenants to rent our general industrial space for storage of their products. So, the rise in shipping cost does affect the demand but we are making positive progress in this area.
<b>Unitholder</b>	<b>V. Hanley/Adeline Ng</b>
<b>Question 11</b>	<b>What are the pipelines in the next 5 years as ESR-REIT will be moving overseas for freehold assets?</b>
CEO	<p>We have at least US\$2.0 billion worth of pipeline assets that are low hanging fruits from our Sponsor. Depending on the market conditions, we intend to acquire them from our Sponsor at the appropriate time. Ultimately, we need to focus on the integration of the portfolio, financial systems and other work processes post the merger of ESR-REIT and ALOG to achieve economies of scale. With the experience we had from our merger with Viva Industrial Trust, Management believes that the integration will be completed within a reasonable period.</p> <p>Noting the concerns of unitholders on the complexities of the merger, given that both ESR-REIT and ALOG are in the same industry and hence, 60% to 70% of the business practices are similar. Tentatively, our current goal is to focus on integration and to evaluate the possibility of any organic growth and cost saving. In addition, we want to ensure that all the business processes and practices are aligned so that business operations will not be affected. When the time is appropriate, the enlarged REIT will acquire new assets and seek unitholders' approval for any major acquisitions from our Sponsor.</p>

**ESR FUNDS MANAGEMENT (S) LIMITED**  
(Company Registration No. 200512804G)  
Incorporated in Singapore  
(acting in its capacity as manager of ESR-REIT)

**ANNUAL GENERAL MEETING  
ATTENDANCE LIST**

**PLACE** : Suntec Singapore International Convention and Exhibition Centre,  
Level 4, Hall 406, 1 Raffles Boulevard, Suntec City, Singapore 039593  
and by way of electronic means

**DATE** : Friday, 29 April 2022

**TIME** : 3.00 p.m.

S/No.	Name	Position
1.	Stefanie Yuen Thio	Independent Chairperson
2.	Ooi Eng Peng	Non-Executive Director, Deputy Chairman
3.	Khor Un-Hun	Independent Non-Executive Director
4.	Ronald Lim Cheng Aun	Independent Non-Executive Director
5.	Dr Leong Horn Kee	Independent Non-Executive Director
6.	Philip John Pearce	Non-Executive Director
7.	Wilson Ang Poh Seong	Non-Executive Director
8.	Adrian Chui Wai Yin	Chief Executive Officer & Executive Director
9.	Karen Lee Kiah Ling	Deputy Chief Executive Officer
10.	Lawrence Chan Wee Kiat	Chief Financial Officer
11.	Charlene-Jayne Chang	Head of Capital Markets and Investor Relations
12.	Nancy Tan	Head of Real Estate
13.	Loy York Ying	Head of Compliance and Risk Management
14.	Chiang Wai Ming	Company Secretary, TMF Singapore H Pte. Ltd.
15.	Representative of RBC Investor Services Trust Singapore Limited	Trustee of ESR-REIT
16.	Representative of Perpetual (Asia) Limited	Trustee for Viva Trust, sub-trust of ESR-REIT
17.	Ernst & Young LLP	External Auditor of ESR-REIT
18.	PricewaterhouseCoopers LLP	Internal Auditor of the Manager
19.	WongPartnership LLP	Legal Adviser